



Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviations:

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the Board of Directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the Board of Directors?	✓		<ol style="list-style-type: none"> 1. In November 2023, the Company established the Corporate Governance and Sustainable Development Committee, with the Chairman serving as the highest decision-maker of the Committee. Regular meetings of the committee and the Board of Directors are held annually. During these meetings, the Chairman and President lead the highest-ranking ESG sustainability officer to report to the committee on the impact assessment of ESG and climate change on the Group's operations and the progress in achieving sustainability goals. Upon the Committee's resolution and approval, the Board of Directors is responsible for reviewing the annual outcomes and guiding the sustainable development strategy. 2. The Company has set up an ESG Sustainability Task Force, led by the Chairman and President, who is the highest responsible person of the unit. This initiative leads senior management to identify sustainability issues of concern to the Company's operations and stakeholders, thereby formulating strategies and promoting sustainability-related tasks. The ESG Sustainability Initiative regularly convenes meetings to review the implementation of goals and the execution of results. It also consolidates the results of sustainable projects and the progress of greenhouse gas inventories, reporting quarterly to the Board of Directors. 3. The Corporate Governance and Sustainable Development Committee convened once in 2024, discussing the following agenda items: 	No significant difference.

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			(1) Review of the Company's 2023 ESG Report (2) Approval of the Company's 2024 sustainability development and greenhouse gas inventory execution plans 4. The Board of Directors annually listens to reports from the Committee and the management team on the current year's execution of ESG, plans and goals for the subsequent year, and regularly reviews the progress of implementation. The Board also regularly reviews and supervises the progress of strategies and urges the management team to make adjustments when necessary.	
II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly?	✓		1. The Company regularly sends out surveys on major issues to stakeholders to understand the sustainability issues they prioritize. The identification of these major issues is conducted according to the reporting principles of the GRI (Global Reporting Initiative) standards. The issues are categorized into three main areas: environment, society, and corporate governance. The scope of risk assessment primarily focuses on the Company itself, with subsidiaries included in the evaluation framework. 2. The ESG Sustainability Task Force conducts analysis based on the materiality principle of the sustainability report. They communicate with internal and external stakeholders, and review domestic and foreign research reports and documents and integrate the evaluation information given by various departments and subsidiaries to evaluate major ESG issues. They formulate risk management policies for effective identification, measurement, monitoring and control, and take specific	No significant difference.

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II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly?	✓		<p>actions to reduce the impact of related risks.</p> <p>3. Based on the risks after the assessment is made, formulate relevant management policies for major issues related to the environment, society and corporate governance as below:</p> <table><tr><th>Major Issues</th><th>Risk Evaluation Item</th><th>Explanation</th></tr><tr><td rowspan="2">Environmental</td><td rowspan="2">Energy Management</td><td>1. Continue implementing the thermal energy recovery system (ceramics factory).</td></tr><tr><td>2. Promote improvement incentive programs.</td></tr><tr><td rowspan="2">Social</td><td rowspan="2">Talent Attraction and Retention</td><td>3. Gradually replace the transportation fleet to enhance transportation efficiency.</td></tr><tr><td>4. Adopt renewable energy power sources.</td></tr><tr><td rowspan="2"></td><td rowspan="2">Customer Health and Safety</td><td>1. Emphasize a diverse and inclusive workplace while providing healthcare services.</td></tr><tr><td>2. Offer a variety of educational training and career development opportunities.</td></tr><tr><td rowspan="2"></td><td rowspan="2"></td><td>3. Enhance employee satisfaction and retention rates through benefit measures.</td></tr><tr><td>1. Become the preferred choice for customers by providing long-term and high-quality services.</td></tr><tr><td rowspan="2"></td><td rowspan="2"></td><td>2. Ensure products comply with regional regulations and customer requirements.</td></tr></table>	Major Issues	Risk Evaluation Item	Explanation	Environmental	Energy Management	1. Continue implementing the thermal energy recovery system (ceramics factory).	2. Promote improvement incentive programs.	Social	Talent Attraction and Retention	3. Gradually replace the transportation fleet to enhance transportation efficiency.	4. Adopt renewable energy power sources.		Customer Health and Safety	1. Emphasize a diverse and inclusive workplace while providing healthcare services.	2. Offer a variety of educational training and career development opportunities.			3. Enhance employee satisfaction and retention rates through benefit measures.	1. Become the preferred choice for customers by providing long-term and high-quality services.			2. Ensure products comply with regional regulations and customer requirements.	No significant difference.
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III. Environmental topics (I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	✓		The Company's manufacturing sites identify, comply with, and meet environmental regulatory requirements according to local laws, while continuously implementing environmental protection and improvement measures. The subsidiary, Milim G&G Ceramics Co., Ltd., has established an environmental management system in accordance with ISO 14001 and continues to obtain third-party verification (certificate valid from April 23, 2024, to March 25, 2027).	No significant difference.

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(II) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		<p>The Company actively promotes various energy reduction measures, selecting high-efficiency and energy-saving equipment to optimize energy usage and reduce internal energy consumption, while continually evaluating the use of renewable energy. The subsidiary, Milim G&G Ceramics Co., Ltd., has obtained ISO 50001 certification (certificate valid from April 13, 2022, to April 12, 2025). In 2024, the increase in renewable energy consumption was slightly higher by 2% compared to 2023. Moving forward, the Company plans to continue expanding renewable energy generation facilities and gradually increase the usage of renewable energy year by year.</p> <p>The subsidiary primarily sources raw materials locally to reduce carbon emissions during transportation and continuously integrates resources to achieve circular reuse. This includes recycling process materials, reducing pollution during manufacturing, minimizing waste, recovering residual heat, and reusing water, thereby lowering environmental impact. The Company remains committed to green manufacturing and reducing unnecessary resource waste. Along the value chain, efforts are made to jointly develop recyclable product packaging. In product design, the use of recyclable materials with low environmental impact is prioritized, alongside active development of water-saving kitchen and bathroom products to maximize the benefits of a circular economy.</p>	No significant difference.

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(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>The Company's Board of Directors serves as the highest decision-making body for climate-related issues, and has established the Corporate Governance and Sustainable Development Committee (the Committee), chaired by the Chairman. The committee annually reviews the Company's climate change strategies and targets, actions to manage climate change risks and opportunities, execution progress, and discusses future plans, subsequently reporting to the Board of Directors.</p> <p>In accordance with the framework outlined in the Financial Stability Board (FSB)'s Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Company evaluates climate change risks and opportunities, conducts comprehensive assessments periodically, and reviews updates annually. The latest climate risk assessment was recently completed, identifying the major risks as follows: the increasing severity of extreme weather events, rising raw material costs, carbon taxes and fees, and changes in customer consumption behavior.</p> <p>To mitigate these risk factors, the Company concurrently identifies feasible opportunities and formulates response measures. In terms of climate change mitigation, efforts include advancements in energy management, carbon data disclosure, and renewable energy development. In terms of climate change adaptation, the Company has implemented strengthened infrastructure measures and optimized water resource utilization.</p> <p>For more detailed assessments and response measures related to climate change risks and opportunities, refer to Climate-Related Information for Listed Companies of this year's Annual Report on Page 32.</p>	No significant difference.

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(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		<p>[Greenhouse Gas Management]</p> <p>Currently, only the parent company in Taiwan and the subsidiary, Milim G&G Ceramics Co., Ltd. (ceramics factory), have conducted greenhouse gas (GHG) inventories in accordance with the ISO 14064-1:2018 standard, completing the assessments for Scope 1 and Scope 2 emissions.</p> <p>Greenhouse gas emissions over the past two years:</p> <table><tr><th colspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><th colspan="2">Item (Unit)</th><th>Emissions (tons of CO2 equivalent)</th><th>Emissions (tons of CO2 equivalent)</th></tr><tr><td rowspan="3">Parent company</td><td>Scope 1</td><td>21.2272</td><td>23.0696</td></tr><tr><td>Scope 2</td><td>340.1684</td><td>369.9570</td></tr><tr><td>Sub-total</td><td>361.3956</td><td>393.0266</td></tr><tr><td rowspan="3">Milim</td><td>Scope 1</td><td>22,816.3516</td><td>25,003.6434</td></tr><tr><td>Scope 2</td><td>21,308.2330</td><td>27,285.5239</td></tr><tr><td>Sub-total</td><td>44,124.5846</td><td>52,289.1673</td></tr><tr><td colspan="2">Total</td><td>44,485.9802</td><td>52,682.1939</td></tr></table>	Year		2023	2024	Item (Unit)		Emissions (tons of CO2 equivalent)	Emissions (tons of CO2 equivalent)	Parent company	Scope 1	21.2272	23.0696	Scope 2	340.1684	369.9570	Sub-total	361.3956	393.0266	Milim	Scope 1	22,816.3516	25,003.6434	Scope 2	21,308.2330	27,285.5239	Sub-total	44,124.5846	52,289.1673	Total		44,485.9802	52,682.1939	No significant difference.
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(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		In 2024, the Scope 1 and Scope 2 GHG emissions of the Company and the subsidiary, Milim G&G Ceramics Co., Ltd. (ceramics factory) totaled 52,682.1939 tons CO ₂ e, with Scope 1 direct emissions and Scope 2 indirect electricity-related emissions roughly split in half, accounting for 47.51% and 52.49%, respectively. The main reason for the increase in carbon emissions in 2024 was the emission factor data for provincial electricity announced by the Ministry of Ecology and Environment of the People's Republic of China in December 2024, which was higher than the coefficients obtained in 2023, leading to a significant increase in Scope 2 emissions for the subsidiary. Additionally, production in 2024 increased by nearly 460,000 units compared to 2023. The greenhouse gas emissions per unit of product in 2024 amounted to 0.0155 tons CO ₂ e/metric ton, slightly higher than the 0.0151 tons CO ₂ e/metric ton recorded the previous year. Key reduction measures at the factory level include the use of renewable energy, recovery, and reuse of residual heat from production processes, regular reviews of equipment and processes, replacement of high-energy-consuming equipment, and process optimization. In office areas, lighting equipment is being gradually replaced with LED fixtures, equipment is regularly maintained to reduce energy consumption, and energy-saving awareness campaigns are conducted intermittently.	No significant difference.

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(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		<p>[Water Stewardship]</p> <p>The Company has long been committed to energy conservation and environmental protection regarding water resources. In its water-saving initiatives, the Company focuses on fully implementing daily practices of water conservation to maximize the utility of available water resources.</p> <p>Water consumption over the past two years</p> <table><tr><th rowspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><th>Water consumption (metric tons)</th><th>Water consumption (metric tons)</th></tr><tr><td>Parent company</td><td>3,962</td><td>3,927</td></tr><tr><td>Milim</td><td>640,243</td><td>533,657</td></tr><tr><td>Total</td><td>644,205</td><td>537,584</td></tr></table> <p>The subsidiary has implemented various improvement measures, including integrating wastewater systems into recycling systems and using recycled water in production processes to increase water output. In 2024, under the execution of water resource management and water-saving technologies, approximately 106,586 metric tons of water were saved—a reduction of around 16.64% compared to 2023. The Company has been dedicated to water resource recycling and reuse for many years. In 2024, the total water</p>	Year	2023	2024	Water consumption (metric tons)	Water consumption (metric tons)	Parent company	3,962	3,927	Milim	640,243	533,657	Total	644,205	537,584	No significant difference.
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(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		<p>withdrawal amounted to 537,584 thousand cubic meters.</p> <p>[Waste Management] In 2024, the subsidiary Milim G&G Ceramics Co., Ltd. successfully obtained ISO 14001 Environmental Management System certification. To achieve sustainable resource reuse, our waste management principles prioritize in-house reuse to reduce the consumption of raw materials. This is followed by recycling, with incineration or landfill being the last resort.</p>	

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(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		<div>Hazardous and non-hazardous waste generated over the past two years:</div> <table><tr><th rowspan="2">Year</th><th colspan="2">2023</th><th colspan="2">2024</th></tr><tr><th>Hazardous (metric tons)</th><th>Non-hazardous (metric tons)</th><th>Hazardous (metric tons)</th><th>Non-hazardous (metric tons)</th></tr><tr><td>Parent company</td><td>0</td><td>4.05</td><td>0</td><td>3.58</td></tr><tr><td>Milim</td><td>0.52</td><td>3,490.02</td><td>0.58</td><td>3,283.12</td></tr><tr><td>Total</td><td>0.52</td><td>3,494.07</td><td>0.58</td><td>3,286.70</td></tr></table> <div>Through process technology improvements and source management measures, such as reducing raw material usage, the subsidiary minimizes waste generation, achieving waste reduction and enhancing utilization rates. In 2024, the consolidated company’s total waste output amounted to 3,286.7 metric tons, reflecting a decrease of approximately 6% compared to 2023.</div>				Year	2023		2024		Hazardous (metric tons)	Non-hazardous (metric tons)	Hazardous (metric tons)	Non-hazardous (metric tons)	Parent company	0	4.05	0	3.58	Milim	0.52	3,490.02	0.58	3,283.12	Total	0.52	3,494.07	0.58	3,286.70	No significant difference.
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IV. Social topics (I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		The Company supports and adheres to fundamental human rights principles, including the Universal Declaration of Human Rights, the Two Covenants, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In addition, the Company complies with legal regulations in all regions where it operates worldwide. Based on the United Nations Guiding				No significant difference.																								

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(I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		<p>Principles on Business and Human Rights, the Company has established a human rights policy that fully reflects its responsibility to respect and protect human rights, which has been published on the Company’s website.</p> <p>A summary of our human rights management policy and specific initiatives is as follows:</p> <table> <tr> <th>Human Rights Management Policy</th> <th>Specific Initiatives</th> </tr> <tr> <td>Diversity, Inclusion, and Equal Employment Opportunity</td> <td>Committed to fostering a workplace environment that is diverse, open, dignified, safe, equal, and free from discrimination and harassment. We ensure that no individual faces discrimination based on religion, gender, race, age, or any other characteristic.</td> </tr> <tr> <td>Prohibition of Forced Labor and Child Labor</td> <td>Implemented a vacation policy that includes automatic monthly reminders to encourage a balanced work-life for all employees. We respect the will of our employees and strictly prohibit forced labor and adhere to local legal standards for minimum employment age to prevent child labor and human trafficking. We are committed to upholding human rights and will not tolerate any violations thereof.</td> </tr> </table>	Human Rights Management Policy	Specific Initiatives	Diversity, Inclusion, and Equal Employment Opportunity	Committed to fostering a workplace environment that is diverse, open, dignified, safe, equal, and free from discrimination and harassment. We ensure that no individual faces discrimination based on religion, gender, race, age, or any other characteristic.	Prohibition of Forced Labor and Child Labor	Implemented a vacation policy that includes automatic monthly reminders to encourage a balanced work-life for all employees. We respect the will of our employees and strictly prohibit forced labor and adhere to local legal standards for minimum employment age to prevent child labor and human trafficking. We are committed to upholding human rights and will not tolerate any violations thereof.	No significant difference.
Human Rights Management Policy	Specific Initiatives									
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Prohibition of Forced Labor and Child Labor	Implemented a vacation policy that includes automatic monthly reminders to encourage a balanced work-life for all employees. We respect the will of our employees and strictly prohibit forced labor and adhere to local legal standards for minimum employment age to prevent child labor and human trafficking. We are committed to upholding human rights and will not tolerate any violations thereof.									

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(I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		Human Rights Management Policy	No significant difference.
			Specific Initiatives	
			Provision of Fair Compensation and Working Conditions	
			Provision of a Safe, Hygienic, and Healthy Work Environment	

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(I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		Human Rights Management Policy	No significant difference.
			Maintaining Positive Labor-Management Relations and Providing Diverse Communication Channels	
			Implementing Information Security and Personal Data Protection Laws	
			In addition, in 2024, human rights protection training was conducted for employees, with a total of 3,175 hours and 254 participants completing the training. In the future, we will continue to focus on human rights protection issues and promote relevant educational training to enhance awareness of human rights protection and reduce the likelihood of related risks.	

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(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		<p>Employee Remuneration</p> <p>The annual bonus system of the Company is contingent upon the profit status of the Company for that year. Distribution of bonuses also takes into account individual employee performance results, departmental effectiveness, and other company-mandated indicators. This performance-based bonus standard is designed to motivate all colleagues to work collectively towards the Company's objectives. Employee remuneration shall be distributed in accordance with the Company's Articles of Association, with the amount not being less than 2% of the Company's annual profits. In compliance with the Financial Supervisory Commission's directive (Jin-Guan-Zheng-Fa-Zi No. 1130385442 issued on November 8, 2024) and Article 14-6 of the Securities and Exchange Act, the Board of Directors resolved on March 6, 2025, to amend the Company's Articles of Association. The amendment specifies that the proportion of employee remuneration allocated to junior-level employees shall not be less than 25%. The proposed revision to the Articles of Association is scheduled for discussion at the 2025 Annual General Shareholders' Meeting.</p>	No significant difference.

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(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		<p>Employee Benefits Measures The Company has established an Employee Welfare Committee, which allocates 0.05% of Globe Union Industrial Corp.'s total monthly sales revenue for welfare funds. These funds are used to provide various benefits for colleagues, such as scholarships for employees and their children, travel subsidies, holiday bonuses for Dragon Boat Festival and Mid-Autumn Festival, birthday gifts, regular health checks, subsidies for childbirth and marriage or funeral expenses, installation of sports and fitness equipment, and annual fixed subsidies for employee-formed clubs and other benefits. Regarding the leave system, in addition to the standard two-day weekend, legally mandated special leave, and unpaid leave applications for employees with personal or family care needs are considered, ensuring employees can balance work with personal and family responsibilities.</p> <p>Workplace Diversity and Equality We are committed to gender equality in compensation and equitable promotion opportunities, ensuring a friendly workplace where employees of all genders can feel secure in their roles. In the year 2024, women accounted for an average of 34.5% of our staff, with women in management positions comprising 31.5%.</p> <p>The Company also provides a conducive working environment to ensure comprehensive well-being for all employees, regardless of their background: (1) In accordance with the "Regulations on Occupational Health Protection,"</p>	No significant difference.

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(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		<p>we employ qualified factory physicians/nurses who provide monthly on-site health management services to safeguard employee health. (2) Following the Labor Standards Act and the National Health Insurance Act, we handle all insurance matters, including providing group accident insurance for employees. (3) To create a friendly workplace that empowers women, we have established lactation rooms and are attentive to the needs of our female colleagues.</p> <p>Performance Reflected in Employee Remuneration</p> <ul style="list-style-type: none"> Article 25-1 of the Articles of Association: Should the Company realize a profit in any fiscal year, a minimum of two percent of the profits must be allocated for employee remuneration, and up to two percent may be allocated for director remuneration; however, if the Company has accumulated losses, funds must be reserved to offset these losses first. Employee remuneration may be distributed in the form of stock or cash, and may include employees of certain subsidiary companies who meet specified criteria. Overall Remuneration Policy: The Company believes that a robust remuneration and benefits system is crucial for creating employee satisfaction and is integral to the sustainable development of the business. Therefore, we are committed to developing a fair, transparent, competitive, and sustainable remuneration system that 	No significant difference.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		<p>supports the growth of both our employees and the Company. Below is our remuneration policy:</p> <p>Annually, we consider the Company's operational performance, external market salary levels, and individual employee performance to conduct regular evaluations to ensure the fairness and competitiveness of our remuneration. The overall remuneration package includes fixed salary, performance bonuses, employee remuneration, and long-term incentives (such as employee stock ownership plans). The reward measures are designed to motivate employees to contribute to the long-term success of the Company.</p> <p>We strive to create a performance-driven, fair, and happy working environment that provides employees with opportunities to excel. The Company values performance and rewards accordingly, integrating corporate development visions and strategic goals with an objective performance management system. Remuneration is based on individual performance outcomes. Additionally, the Company encourages the comprehensive development of our employees. Colleagues are encouraged to outline their own further education plans and work goals and to engage in discussions with their supervisors to jointly ensure the achievement of personal work targets and the development of professional competencies.</p>	No significant difference.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>Occupational Safety and Health Policy The Company adheres to the Occupational Safety and Health Act, formulating policies in accordance with customer and relevant organizations' regulations. It respects the requirements of stakeholders regarding occupational safety and health, aiming to build a workplace that promotes health and happiness. With disaster prevention and mitigation as its core philosophy, the Company employs appropriate management tools, advanced technologies, and available resources to address occupational safety and health issues across operational sites, devising effective solutions, and continuously refining occupational safety practices.</p> <p>Additionally, it enhances protective measures for operational personnel and invests resources to strengthen occupational disease prevention, creating a zero-incident environment. The subsidiary, Milim G&G Ceramics Co., Ltd., has obtained ISO 45001 certification (certificate valid from May 25, 2022, to March 31, 2025).</p>	No significant difference.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>The Company has also established quantitative indicators to improve overall occupational safety performance and effectively control risks. In 2024, both the parent company and Milim G&G Ceramics Co., Ltd. reported a disabling injury frequency rate of zero. There were three occupational accidents involving three employees (0.14% of the total number of employees at the end of 2024). Among these, there were no fire-related incidents and no fatalities (0% of the total number of employees at the end of 2024).</p> <p>Occupational Environment Monitoring To protect workers from exposure to hazardous substances in the workplace and provide them with a healthy and comfortable working environment, the Company conducts regular annual workplace environment monitoring to understand workers' exposure conditions.</p> <p>Occupational Safety Education and Training Over the Past Two Years To ensure that employees are well-informed about occupational safety and health regulations and to promote their health and well-being, the Company organizes annual education and training programs. The courses include emergency response at operational sites (including fire incidents) and occupational safety and health topics.</p>	No significant difference.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No	Summary										
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>The number of participants and person-hours involved in public safety education training and awareness campaigns over the past two years is as follows:</p> <table> <tr> <th>Occupational Safety Training</th> <th>Total Training Hours (Hours):</th> <th>Number of Trainees (Person-times):</th> </tr> <tr> <td>2023</td> <td>57,675</td> <td>28,008</td> </tr> <tr> <td>2024</td> <td>52,113</td> <td>17,086</td> </tr> </table>	Occupational Safety Training	Total Training Hours (Hours):	Number of Trainees (Person-times):	2023	57,675	28,008	2024	52,113	17,086	No significant difference.
Occupational Safety Training	Total Training Hours (Hours):	Number of Trainees (Person-times):											
2023	57,675	28,008											
2024	52,113	17,086											
(IV) Has the company implemented an effective training program that helps employees develop skills over the course of their career?	✓		<p>Each year, the Company designs comprehensive competency training programs for managers and employees in accordance with business operations, directions, and forward-looking development strategies. These programs include onboarding training, professional advanced training, and managerial training, to support employees in continuous learning and growth through diverse learning methods. The Company also incorporates training courses on the development of corporate ethics to cultivate key employee capabilities. For details on the number of training hours in 2024, please refer to the ESG Report.</p> <p>During annual performance reviews, managers and employees jointly discuss and establish individual annual capability development plans. Employees are encouraged to enhance their professional skills through internal and external training courses. Regular reviews and feedback assist employees in tailoring the best career development plans.</p>	No significant difference.									

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	✓		<p>The Company controls the value chain of our products, from raw materials and logistics to sales, establishing operational standards and management mechanisms. We continuously monitor product safety information and maintain a robust internal feedback system to ensure the commitment to product safety.</p> <p>We have established an information security policy to manage and protect customer privacy. Through internal and external cybersecurity oversight, disaster drills, social engineering prevention, and training programs, we enhance employee awareness and safeguard customer data.</p> <p>The Company strictly adheres to the local government regulations and international standards relevant to manufacturing and sales. We have developed basic quality management guidelines and created operational standards for our employees to follow. All sales contracts undergo an internal review before we initiate any sales activities.</p> <p>Product labeling is critical for protecting consumer rights and health. Our company maintains a laboratory and a product certification department to ensure that our products meet regulatory requirements concerning composition, manufacturing, and labeling.</p> <p>The Company (GERBER、PJH and LENZ) has established customer service hotlines and feedback mailboxes to receive customer complaints and assist frontline sales colleagues in handling them, ensuring the protection of customer rights and interests.</p>	No significant difference.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons				
	Yes	No	Summary					
(VI) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		<div>The Company has established the "Supplier Evaluation Management Policy," creating criteria for evaluating suppliers based on delivery schedules, production capacity, and equipment. The Company also emphasizes the implementation of integrity, ethics, health and safety, and environmental quality in supplier practices. We utilize supplier survey forms to gather information about new suppliers and conduct both regular and ad hoc evaluations to monitor and assess their performance. In 2024, our collaborating suppliers meet the following conditions:</div> <table><tr><td>Supplier Evaluation</td><td>All suppliers must pass our supplier evaluation and adhere to the Supplier Code of Conduct.</td></tr><tr><td>Supplier Assessment</td><td>The Company conducts regular monthly assessments and tracks improvements on any deficiencies identified in suppliers. This process is aimed at enhancing quality and technology, as well as strengthening environmental, safety, and health performance.</td></tr></table>	Supplier Evaluation	All suppliers must pass our supplier evaluation and adhere to the Supplier Code of Conduct.	Supplier Assessment	The Company conducts regular monthly assessments and tracks improvements on any deficiencies identified in suppliers. This process is aimed at enhancing quality and technology, as well as strengthening environmental, safety, and health performance.	No significant difference.
Supplier Evaluation	All suppliers must pass our supplier evaluation and adhere to the Supplier Code of Conduct.							
Supplier Assessment	The Company conducts regular monthly assessments and tracks improvements on any deficiencies identified in suppliers. This process is aimed at enhancing quality and technology, as well as strengthening environmental, safety, and health performance.							
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company	✓		The Company compiles its sustainability reports in accordance with the disclosure frameworks outlined by the Global Reporting Initiative (GRI) Standards, issued by the Global Sustainability Standards Board in 2021, the Account Ability Principle Standard (AA1000), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).	No significant difference.				

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
obtain third-party assurance or guarantees for the reports above?				
VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Board of Directors passed the “Corporate Responsibility Principles” in December, 2014 to strengthen the implementation of corporate social responsibility. In March 2022, the Board of Directors approved the amendments to the “Sustainable Development Regulations” for implementation, and reviewed the implementation and made improvements accordingly. There are no significant differences.				

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: Society is made up of people playing different roles. The Company aims to become the most trustworthy company in the world and realize sustainable development. We therefore strive to create an exceptional working environment so that even as we win over the trust of customers, employees, suppliers, shareholders and competitors, we are also fulfilling our social responsibility. The Company provides support and sponsorships to social organizations, such as: the Straits Economic and Cultural Interchange Association, the Rotary Club of Taichung, and purchased Mid-Autumn Festival gift boxes from the Down Syndrome Foundation & Taichung Disability Welfare and Care Association in support of public welfare. Employees have long supported the Taichung Industrial Park Volunteer Association, contributing a total of NT\$250 thousand. Employees also participate in blood donation activities, and land-cleaning and fertilization efforts to rehabilitate Taiwan’s native species. Moreover, the Company’s founder established the Hope Media Foundation, which donated NT\$14,410 thousand in 2024 to numerous organizations, including: Taichung City Government Fire Department Tanzih Station, Antzer Intelligence Center & Antzer Yifeng Park, Taiwan Hope Volunteer Group, Taiwan Window of Life Charity Association, Taiwan Children’s Rights Promotion Association, Yunlin County Little Angels Development Association, Taiwan Osteosarcoma Care Association, Taiwan Benevolent Guidance Academy Cultural Education Research Association, National Central University Public Welfare Communication Center, Great Rice Jar Sustainability Care Association, Rainbow Love Home Life Education Association, and the Taiwan Deaf Association. Out of respect for human rights, all our employees are treated equally regardless of gender, religion, political affiliation, and employment opportunity. We strive to create a good working environment free from all forms of discrimination and harassment. All safety and health aspects are monitored and comply with government regulations.				

Explanation 1: Work environment and personal protection measures: The Company recognizes the importance of protective measures for the workplace and for individual employees. Our key targets and implementation are as follows:

Item No.	Target/Goal	Project	Current Situation	Implementation
1	Zero accident elevator	Cargo elevators are for cargo only. Overloading is strictly prohibited. They must be maintained and serviced by qualified vendors on a regular basis.	Contracts have been signed with professional vendors for the regular maintenance and service of elevators. Elevators must pass the annual inspection to remain in service.	The heads of relevant units are informed on the spot about the prohibition against passengers in the cargo elevator and overloading. Elevator safety and care rules are posted. All equipment used by the Company is rated the highest class among all enterprises in terms of safety and standardization.
2	Zero electrical hazards	Every electrical equipment should comply with Article 9 of the Regulations for Electrical Technician and Power Facility Inspection and Maintenance Management. Implementation is in compliance with national regulations for safe electricity usage. All electrical equipment comes with a residual current circuit breaker and earth-fault protection.	Contracts have been signed with qualified vendors to conduct electrical safety inspections of all factory circuits, power-off tests, and maintenance take place each year at least once, as required by regulations.	Power circuits suspected of being overloaded are immediately reviewed for improvement. All circuit boxes are labeled with the warning "Do not open if you are not a professional circuit operator" in order to prevent electric shock hazards.
3	Zero fire hazard	Fire prevention equipment is inspected and repaired within a specific time frame according to applicable requirements each year.	In accordance with Article 15 of the Enforcement Rules of Fire Services Act, at least one 4-hour firefighting, emergency notification, and evacuation training drill and the local firefighting agency is notified in advance. The fire prevention and maintenance unit services, maintains, and replaces damaged facilities on a regular basis. The Industrial Safety Group performs safety audits on a	Any safety concern in fire safety equipment is to be addressed in a timely manner. If it is abnormal and is determined through inspection to have been damaged, it will be taken care of and replaced immediately, and it will also be numbered for management.

Item No.	Target/Goal	Project	Current Situation	Implementation
			daily basis to make sure that the firefighting access, fire hydrants, and other safety equipment are normal.	
4	Electronic access control	Apply electronic access control to prevent against unauthorized access. Follow applicable access-control requirements of the Company.	New employees are all given standard privileges. Applications for special access privileges require approval from the highest-ranking supervisor with the relevant approval-granting rights. External people visiting for business must obtain a pass. Visitors must follow instructions and park their vehicles in designated areas. Related release receipts for goods leaving the site will be inspected and verified.	Access control records are maintained. Once an employee is no longer with the Company, access is immediately revoked.
5	After-hours security	Each day, the last employee to leave the site must set the security alarm to keep the Company safe. After working hours, staff may only access the site under special circumstances, and only after having explained their purpose to the security guard in order to ensure personnel and property safety.	Staff to work overtime on holidays and on the weekends have to follow the overtime staff list issued by the Department of Human Resources. Employees working overtime on holidays and on the weekends must first register with the General Administration Section and collect the security token. The security token must be returned on the next working day to ensure effective management.	If the alarm is triggered for an unknown reason, the security guard on site or the security company shall find the reason and report the incidence.
6	Airconditioning maintenance management	The chillers, fans and cooling towers undergo planned maintenance.	Chillers are regularly inspected during operation. Any problems are scheduled for correction.	The cooling towers are regularly cleaned and chlorine tabs added to prevent against bacteria and germs and to protect against generation of high pressure on the chillers to reduce expenditure on electricity.

Item No.	Target/Goal	Project	Current Situation	Implementation
7	Zero accident for power centrifuge	Design the automatic inspection checklist and ask operators to perform periodic inspections, as required.	Article 74 of the Occupational Safety and Health Facilities Regulations stipulates that the power centrifuge must come to a complete stop before any object is removed from the machine.	Items are truthfully inspected and verified, and heads of executive units are asked to provide precise guidance.
8	Zero accident for fire-related operations	The head of the operating unit shall inform the safety control unit (the General Administration Section or Safety Section) if operations likely to generate sparks are to be performed. The operating unit shall follow the Fire Operating Guide.	The safety control unit needs to inspect and make sure that there is no safety concern and shall inform operators of details to pay attention to before fire operations begin, despite the fact that a fire operation has been applied for and approved.	All danger sources are to be removed from the fire operation area, and areas with falling sparks are monitored at all times. Fire extinguishers shall be available at the workplace and readily accessible. Based on the class shown on the fire operation certificate, safety measures at the operation site and time-effectiveness of the operating certificate are checked from time to time.
9	Contractor safety and health declaration	Contractors need to carefully read through the document before signing it and ask questions in advance if there is any area that is unclear to them. Reach an agreement regarding construction safety and health requirements, and confirm preconstruction protection and post-construction cleanup upon signing of a contract.	Contractors shall abide by requirements for safety management and provide operators with necessary protective equipment and devices during construction. The construction management department, safety management department, and 6S management department shall confirm on-site that protection requirements are fulfilled to warrant construction before it begins, inspect the process, and accept work upon completion.	The contractor may be ordered to stop work immediately in the event of a serious breach of safety and health regulations. Actions that may be taken for other nonconformities include mandated improvements by a given deadline and termination of contract.

Item No.	Target/Goal	Project	Current Situation	Implementation
10	Zero accident cutting machines	Purchase of new automatic band saw	Automatic starts and stops are possible while cutting an object in order to ensure the safety of the operator.	The head of the user unit is required to restrict operation to designated personnel.
11	Labor safety protection	Embark on a series of safety knowledge trainings, set up a safety supervision scheme, and improve safety at the workshop. Establish a 3-tier safety education system and a supervisor safety and production accountability system.	All employees are to complete physical checkups for occupational diseases and health. A complete database of all employees' health records is thereby established. All 3-tier safety training files are archived. Standards for carriage of labor supplies are specified. Occupational safety and health examinations take place on a yearly basis. Provide on-site health consultation services for medical professionals, establish employee health management classification, and prevent occupational accidents and occupational diseases.	Apart from training on safety awareness, workplace safety and comfort are ensured through the workshop layout, improved ventilation, and better natural/artificial lighting. We will abide by the regulations concerning the frequency of on-site health care services and handle relevant labor health protection matters such as health management consultation and health promotion. We will timely adjust the duties and tasks of employees according to their physical conditions, which not only helps prevent occupational accidents and occupational diseases, but also improves employees' physical and mental health, and their working abilities.
12	Pollution control (water, air, noise)	Perform pollution control according to the requirements and standards of the environmental protection department. Invest in wastewater treatment systems, applicable clean energy, equipment for desulfurization and dust removal for waste gas prior to emission, and soundproof equipment.	The Company is continuing to make improvements on water, air and noise pollution.	Emission indicators are monitored online and linked to the network of the environmental protection department. Environmental factors are inspected on a yearly basis to ensure constant improvements. Wastewater is recycled and reused.

Item No.	Target/Goal	Project	Current Situation	Implementation
13	Recycling and reuse	Improve the product yield, reduce waste generation, and strengthen 6S competitions and recycling of waste for reuse to concretize resource waste reduction, recycling, and reutilization.	The product yield is discussed on a monthly basis. Recycling and reutilization of waste is managed. Utilization of residual heat is continued. Reclaimed water is used for resource saving, and the outstanding 6S units are recognized.	The Company adheres strictly to environmental regulations during waste treatment for harm elimination, volume reduction and recycling. This effectively prevents any impact on the surrounding environment.
14	Energy conservation	To identify potential problems in energy use, we commissioned an external environmental technology company to audit our energy consumption. The Company also proposed and implemented clean production review.	A comprehensive management organization has been set up as part of our energy management system. A series of energy-saving and waste reduction schemes have been implemented and assessed.	Lighting, water, and electricity are being transformed. Kiln residual heat is recycled and re-utilized. Energy-saving electrical equipment is adopted. Reclaimed water is used again. The kilns are known for their high energy-saving performance. Energy saving lamps and water valves are used, and buildings such as dormitories and workshops are repaired. All of these are meant to promote energy conservation and consumption reduction, reduce the concentration of pollutants discharged, and realize effective overall emissions.



Climate-Related Information for Listed Companies

1. Execution Status of Climate-Related Information

Item	Implementation
1. Articulate the oversight and governance by the Board of Directors and management regarding climate-related risks and opportunities.	<ul style="list-style-type: none"> Corporate governance plays a critical role in addressing climate change. Recognizing this, the Company established the Corporate Governance and Sustainable Development Committee (the Committee) in November 2023, with the Chairman serving as the committee's highest decision-maker. The committee holds regular annual meetings to deliberate on and make resolutions regarding climate-related activities and strategies. The results of these activities and the corresponding strategic decisions are regularly reported to the Board of Directors. The Chairman and President serve as the highest responsible person for the "ESG Sustainability Task Force," leading senior executives within the Company in planning and executing sustainability development and climate change strategies. The "ESG Sustainability Task Force" is composed of the Company's senior executives and includes a dedicated sustainability management department responsible for cross-departmental coordination, communication, and integration of sustainability and climate change-related management activities. The department reports to the "ESG Sustainability Task Force," which sets the Company's short-, medium-, and long-term goals and development strategies for sustainability and climate change. The top responsible person annually reports to the Committee and, upon receiving its resolution, subsequently submits the report to the Board of Directors.
2. Explain how identified climate risks and opportunities impact the company's business, strategies, and finances (in the short, medium, and long term). 3. Describe the financial impacts of extreme weather events and transitional actions.	<ul style="list-style-type: none"> Based on a comprehensive evaluation, the Company's significant climate risks mainly stem from domestic and international regulations, as well as demands from key stakeholders such as customers, regarding corporate greenhouse gas reduction and adherence to product water and energy efficiency standards. On the other hand, the opportunities brought about by climate change are primarily in the areas of products and services. The Company has long been dedicated to the development of low-consumption, water-saving bathroom products, earning consistent support and trust from established markets. Moving forward, the Company will continue to optimize energy-efficient and waste-reducing products and services to meet market demands, enhance competitiveness, and expand market share. To properly manage risks associated with extreme weather events and the transition to a low-carbon economy, the Company has actively developed response strategies and is progressively integrating climate-related risks into its operational decision-making. Through risk identification and management, we strive to achieve climate mitigation and adaptation goals, thereby enhancing the Company's climate resilience.

Item	Implementation				
2. Explain how identified climate risks and opportunities impact the company's business, strategies, and finances (in the short, medium, and long term). 3. Describe the financial impacts of extreme weather events and transitional actions.	Impacts of climate risks and opportunities on business operations, strategy, and financials (short-, medium-, and long-term)				
	Type	Period	Climate Risk/ Opportunity	Financial Impact	Response Measures
	Physical Risk	Short-term	Increased severity of extreme weather events (typhoons, heavy rainfall, drought)	The growing severity of extreme weather events may lead to operational disruptions, equipment damage, or employee absenteeism, resulting in increased personnel and asset-related costs and higher overall operating expenses.	1. Implement flood prevention actions before typhoons, such as placing sandbags, clearing drainage systems, and elevating equipment. 2. Enhance infrastructure resilience (e.g., install flood barriers), assess flood risk at manufacturing sites, and develop and execute risk mitigation strategies. 3. Conduct regular annual inspections and maintenance of factory environments to reduce the risk of operational disruptions due to climate events.

Item	Implementation				
<p>2.Explain how identified climate risks and opportunities impact the company's business, strategies, and finances (in the short, medium, and long term).</p> <p>3.Describe the financial impacts of extreme weather events and transitional actions.</p>	Type	Period	Climate Risk/ Opportunity	Financial Impact	Response Measures
	Transition Risk	Medium-term	Carbon taxes and fees	As the company's main markets are in North America and Europe, the formal implementation of international carbon border adjustment mechanisms would require not only the payment of carbon taxes/fees but also the provision of carbon footprint data for products, leading to increased operating costs.	<p>1.Collaborate with external experts to stay informed of regulatory trends at each operational site to ensure early response.</p> <p>2.Establish greenhouse gas inventories to monitor emissions from each site and assess appropriate response strategies.</p> <p>3.Optimize and improve manufacturing processes to reduce carbon emissions.</p>

Item	Implementation				
<p>2.Explain how identified climate risks and opportunities impact the company’s business, strategies, and finances (in the short, medium, and long term).</p> <p>3.Describe the financial impacts of extreme weather events and transitional actions.</p>	Type	Period	Climate Risk/ Opportunity	Financial Impact	Response Measures
	Transition Risk	Long-term	Rising raw material costs	Climate change increases market uncertainty, putting pressure on manufacturing costs due to factors such as restrictions on mineral resource extraction and natural gas price fluctuations, potentially raising operating costs.	<p>1.Improve the efficiency of energy and resource usage, reduce waste, and maximize resource utilization to lower operational costs.</p> <p>2.Seek alternative energy sources or raw materials and diversify suppliers to mitigate the risks of price fluctuations and obtain favorable rates.</p>
		Long-term	Changes in consumer behavior	Failure to develop low-carbon products in line with market trends may result in reduced sales and lower revenue.	<p>Optimize products and packaging materials to meet customer or regulatory demands:</p> <p>1.Optimize packaging design to use the least and smallest amount of packaging while ensuring product protection during transportation.</p> <p>2.Avoid the use of plastic bags wherever possible.</p> <p>3.Continue investment in R&D—In 2024, the Company allocated NT\$160 million for R&D, with 17% dedicated to energy-saving products.</p> <p>4.Currently, water hardware products comply with the latest environmental regulations and meet energy- and water-saving standards; ceramic toilets are also being continuously improved</p>

Item	Implementation				
	Type	Period	Climate Risk/ Opportunity	Financial Impact	Response Measures
2. Explain how identified climate risks and opportunities impact the company's business, strategies, and finances (in the short, medium, and long term). 3. Describe the financial impacts of extreme weather events and transitional actions.					for energy and water efficiency to reduce environmental impact.
	Opportunity	Medium-term	Limited resource management (resource recycling and conservation strategies)	The company has completed the installation and operation of carbon reduction-related equipment. By improving energy efficiency, reducing consumption, recovering thermal energy, and reusing treated wastewater, the company has lowered its use of water and energy resources, thereby reducing operating costs.	The company actively implements "resource conservation" strategies in electricity and water resource management by promoting conservation awareness, gradually replacing old equipment with more energy-efficient models, and optimizing waste heat recovery and reuse systems at kiln plants to improve overall energy efficiency and resource flexibility.
		Long-term	Adoption of more efficient transportation methods or reduced transportation distances	By selecting suitable transportation contractors and maintaining effective price management, the company plans more efficient transportation models to reduce operating costs.	1. All automotive transportation within China utilizes vehicles that meet the "China National Stage V Emission Standards" and complies with government guidance on staggered delivery based on weather conditions. 2. To meet order requirements, part of the production has been relocated to the company's factory in Mexico, reducing

Item	Implementation				
					shipping distances and improving logistics efficiency.
	<p>Note: The time horizons in the table are defined as follows : Short-term (1–3 years); Medium-term (3–5 years); Long-term (more than 5 years).</p> <p>Based on the above assessment of risks and opportunities, although extreme weather events and transition-related actions currently have no direct financial impact on the company in the short term, it remains essential to conduct regular evaluations to continually reduce the potential impact of climate risk factors on the company</p>				
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	<p>The Company identifies and assesses climate-related risks through the following processes:</p> <ol style="list-style-type: none">1. At the organizational level, top-down evaluations are conducted to identify the Company's key risks.2. At the operational level, bottom-up evaluations are performed, along with consolidated analyses of individual market assessments.3. By engaging with external stakeholders, materiality assessments are carried out to understand the issues they are concerned about, aiming to minimize their impact and assist the Company in achieving long-term goals and operational strategies. <p>After consolidating climate-related risks, Globe Union evaluates the likelihood of each risk occurring and its potential impact on the Company. The Company also considers the time frame in which these risks could materialize, completing a materiality assessment analysis of climate-related risks and opportunities. This analysis defines the priority and severity of risk management and enables the Company to adopt corresponding risk management strategies based on the severity levels.</p> <p>Regarding the management process for transition risks and opportunities, Globe Union identified that the energy-intensive ceramic firing process poses a risk of increased operating costs due to future carbon taxes (fees). As a result, the Company continues to enhance energy management at its ceramic manufacturing plants, investing in upgrades and modifications to heat recovery systems. Since 1992, Milim G&G Ceramics Co., Ltd. has established a kiln waste heat recovery system. Over the past 20+ years, the system has undergone three major upgrades. By recovering heat generated during the production process, especially for the drying stage after toilet bowl forming, the company has significantly reduced its reliance on boilers for continuous heat supply. This has effectively lowered overall energy consumption, achieving both energy-saving and environmental protection goals.</p>				

Item	Implementation
<p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>Simultaneously, it is gradually increasing the proportion of renewable energy in use. Through mechanisms to manage short-term target progress annually, employee and management performance in achieving energy management goals is assessed. This encourages all departments to discuss concrete measures, establish improvement incentive mechanisms, and formulate action plans.</p> <p>Regarding the management process for physical risks, the Company considers how changing precipitation patterns and reduced water supply may significantly decrease available water resources. The ceramic manufacturing process, which relies heavily on water, may face operational continuity risks, potentially affecting the Company's safety inventory levels. The Company leverages tools developed by the World Resources Institute (WRI) to investigate, analyze, and assess the likelihood and impact of increased droughts (immediate risks) and changes in rainfall patterns (long-term risks) leading to water shortages at factories. Recommendations for climate change adaptation measures are proposed based on this analysis. Within the analyzed time frame, some subsidiaries of the Group have manufacturing sites located in areas identified as potentially water-scarce; however, there is no direct impact on current operations. Nevertheless, these potentially at-risk facilities proactively implement water-saving and recycling measures, enhance the recovery capacity of wastewater treatment systems, and improve the efficiency of wastewater reuse. These efforts help mitigate the impact of water shortages on operations and reduce associated risks.</p> <p>Adhering to its philosophy of "to become a trusted partner, a source of pride, and a sustainable business," the Company established new "Sustainable Information Management Regulations" in 2024. This integrates risk management processes into the Company's overall internal control system. The Company conducts an annual audit of its sustainability information management processes, led by the internal audit supervisor, and regularly reports the audit results to the Audit Committee and the Board of Directors.</p>

Item	Implementation
5. When using scenario analysis to assess resilience to climate change risks, it is essential to detail the scenarios employed, parameters, assumptions, analytical factors, and main financial impacts.	None at this time.
6. If there is a transformation plan in place to manage climate-related risks, the content of this plan should be outlined, along with the indicators and targets used to identify and manage physical and transition risks.	None at this time.
7. If internal carbon pricing is used as a planning tool, the basis for pricing determination should be explained.	None at this time.

Item	Implementation
<p>8. If climate-related targets are set, the plan should cover the activities involved, scopes of greenhouse gas emissions, planning periods, and annual progress towards these goals. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, the source and quantity of the carbon offset credits or the number of RECs should be detailed.</p>	<p>None at this time.</p>
<p>9. Greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans</p>	<p>(Additional information to be filled in sections 1-1 and 1-2)</p>



1.1. Greenhouse Gas Inventory and Verification Status for the Last Two Fiscal Years

1.1.1. Greenhouse Gas Inventory Information

Statement of detailed account of greenhouse gas emissions over the last two fiscal years, including total emissions (metric tons of CO₂e), intensity (metric tons CO₂e/NT\$ million), and the scope of data covered.

The Company, a publicly listed entity with a capitalization of less than NT\$5 billion, follows the disclosure schedule set by the Financial Supervisory Commission. According to this schedule, the Company is required to disclose the standalone greenhouse gas inventory information for the parent company in 2026, and for subsidiaries included in the consolidated financial statements in 2027. However, the Company has proactively planned and initiated a greenhouse gas inventory project. Currently, only the parent company in Taiwan and the subsidiary, Milim G&G Ceramics Co., Ltd. (ceramics factory), have conducted greenhouse gas (GHG) inventories in accordance with the ISO 14064-1:2018 standard, completing the assessments for Scope 1 and Scope 2 emissions.

The GHG emissions per unit of product in 2024 amounted to 0.0155 tons CO₂e/metric ton, slightly higher than the 0.0151 tons CO₂e/metric ton recorded the previous year.

Year		2023	2024
Item (Unit)		Emissions (tons of CO ₂ equivalent)	Emissions (tons of CO ₂ equivalent)
Parent company	Scope 1	21.2272	23.0696
	Scope 2	340.1684	369.9570
	Sub-total	361.3956	393.0266
Milim	Scope 1	22,816.3516	25,003.6434
	Scope 2	21,308.2330	27,285.5239
	Sub-total	44,124.5846	52,289.1673
Total		44,485.9802	52,682.1939

Note:

- For Scope 1 emissions, both the parent company and Milim adopt the emission factors published in the "Greenhouse Gas Emission Factor Management Table Version 6.0.4" by the Environmental Protection Administration, and determine the Global Warming Potential (GWP) based on the IPCC AR6 standards released in 2021.

2. For Scope 2 emissions, the parent company uses the most recently published electricity emission factor announced by the Bureau of Energy, Ministry of Economic Affairs, while Milim uses the latest officially announced emission factor for Mainland China.

1.1.2. Greenhouse gas verification information

Overview of the verification status of greenhouse gas emissions up to the date of publication of this annual report for the last two fiscal years, including the scope of verification, the verifying body, the verification standards applied, and the opinion.

The Company, a publicly listed entity with a capitalization of less than NT\$5 billion, follows to the disclosure schedule set by the Financial Supervisory Commission. According to this schedule, the Company is required to assurance for the parent company's standalone greenhouse gas inventory in 2028, and for subsidiaries included in the consolidated financial statements in 2029. Therefore, has not yet been completed.

1.2. Greenhouse gas reduction targets, strategies, and specific action plans

Outlines the base year for greenhouse gas emissions and its corresponding data, the reduction targets, strategies, and specific action plans, as well as the progress towards achieving these reduction targets.

The Company aims to complete greenhouse gas assurance ahead of the regulatory schedule and, based on the assurance outcomes, will establish emission reduction targets, strategies, and concrete action plans.